

Remarks/Arguments:

Claims 1-8 have been rejected under 35 U.S.C. 112, second paragraph, as being allegedly indefinite for failure particularly to point out and distinctly to claim the subject matter regarded by Applicants as their invention.

Claims 1, 4, 5 and 7 stand rejected under 35 U.S.C. 102(b) as being allegedly anticipated by Hatano, US Patent 4,779,699.

Claims 1-3, 5 and 8 have been rejected under 35 U.S.C. 102(b) as being allegedly anticipated by Sasaki et al., US Patent 4,645,029.

Claim 6 has been indicated to be allowable if rewritten to avoid the rejection under 35 U.S.C. 112, second paragraph, and to include all limitations of its base and intervening claims.

With a view to rendering their claims clear and succinct, Applicants have rewritten their claims 1-4 as new claims 9-12, and they have amended their original claims 5, 7 and 8.

Applicants have noted with appreciation the allowability of their claim 6. However, after carefully considering the '699 and '029 patents they submit, with respect, that the Examiner appears to have misunderstood their invention. While both references relate to transaxle drive mechanisms for four-wheel drive systems, neither teaches or suggests the axially compact arrangement which is the subject matter of Applicants' invention as defined in their new claim 9. In fact, neither Hatano nor Sasaki give any consideration to axially compact drive units made possible, in the language of Applicants' new main claim, by "an output gear coupled to the axial extension for meshing with a drive gear connected to the second axle and provided with an axial recess forming radially displaced internal and external

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bearing surfaces disposed substantially in the same radial plane as the second bearing member". Indeed, both Hatano and Sasaki disclose the elongate mechanisms common to prior art devices and fail to suggest, much less disclose, for an arrangement which can be mounted in an axial space smaller than the one required to accommodate bevel gear axle differentials used in conventional vehicles.

It is urged, with respect, that the radially coplanar arrangement of the second and third bearings of Applicants' structure provided by the axial recess of their output gear is distinctly and patentably different from the axially extended arrangements taught by the two prior art references.

As regards the second axle which has been included in Applicants' claims but which has not been shown in the drawings, Applicants will be pleased to submit an amended drawing for approval by the official draftsman once a notice of allowability has been issued.

An earnest and thorough attempt has been made by the undersigned to resolve the outstanding issues in this case and place same in condition for allowance. If the Examiner has any questions or feels that a telephone or personal interview would be helpful in resolving any outstanding issues which remain in this application after consideration of this amendment, the Examiner is courteously invited to telephone the undersigned and the same would be gratefully appreciated.

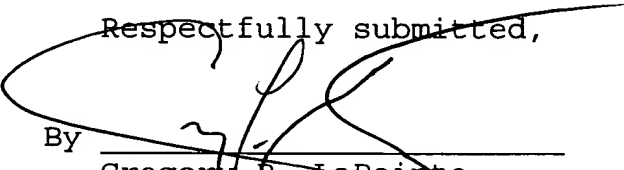
It is submitted that the claims as amended herein patentably define over the art relied on by the Examiner and early allowance of same is courteously solicited.

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If any additional fees are required in connection with this case, it is respectfully requested that they be charged to Deposit Account No. 02-0184.

Respectfully submitted,

By



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Date: March 24, 2005

I hereby certify that this correspondence is being deposited with the United States Postal Service with sufficient postage as first class mail in an envelope addressed to: "Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313" on March 24, 2005.



Lori J. Larson